



LEA 02	Disclosures: Mandatory	Reason for interaction	Principle: PRI 1, 2, 3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on ability to address the needs of stakeholders</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency on ability to address the needs of stakeholders</p> <p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Collaborative engagements	<p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to address the needs of stakeholders</p> <p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in collaborative engagements</p>		
Service provider engagements	<p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To enhance corporate transparency on ability to address the needs of stakeholders</p> <p><input type="checkbox"/> To support investment decisionmaking in & company's material ESG issues</p> <p><input type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in service provider engagements</p>		

RI TRANSPARENCY REPORT

2013/14

M&G Real Estate

About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

PRI disclaimer

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Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	🔒	n/a							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Private							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Private				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	-	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Direct - Property				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
PR 01	Breakdown of investments by equity and debt	✓	Private							✓
PR 02	Breakdown of assets by management	✓	Private							✓
PR 03	Largest property types	✓	Private							✓
PR 04	Description of approach to RI	✓	Private	✓					✓	
PR 05	Responsible Property Investment (RPI) policy	✓	Public	✓						✓
PR 06	Fund placement documents and RI	✓	Public	✓			✓		✓	
PR 07	Formal commitments to RI	✓	Private				✓			
PR 08	Incorporating ESG issues when selecting investments	✓	Public	✓						
PR 09	ESG advice and research when selecting investments	✓	Private	✓			✓			
PR 10	Examples of ESG issues in investment selection process	✓	Public	✓		✓				
PR 11	Types of ESG information considered in investment selection	✓	Private	✓		✓				
PR 12	ESG issues impact in selection process	✓	Private	✓						
PR 13	ESG issues in selection, appointment and monitoring of third-party property managers	✓	Public				✓			
PR 14	ESG issues in post-investment activities	✓	Public		✓					
PR 15	Proportion of assets with ESG targets that were set and monitored	✓	Public		✓	✓				
PR 16	Certification schemes, ratings and benchmarks	✓	Private		✓					
PR 17	Proportion of developments and refurbishments where ESG issues were considered	✓	Public		✓					
PR 18	Proportion of property occupiers that were engaged with	✓	Public		✓					
PR 19	Proportion of green leases or MOUs referencing ESG issues	✓	Private		✓					
PR 20	Proportion of assets engaged with on community issues	✓	Private		✓					
PR 21	ESG issues affected financial/ESG performance	✓	Private	✓	✓					
PR 22	Examples of ESG issues that affected your property investments	✓	Private	✓		✓				
PR 23	Disclosure of ESG information to public and clients/beneficiaries	✓	Public						✓	

M&G Real Estate

Reported Information

Public version

Organisational Overview

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Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory only services

OO 01.2 Additional information. [Optional]

M&G Real Estate is a top 25 global real estate fund manager. We form part of the M&G Group of Companies, the asset management arm of Prudential plc in the UK and Europe. Prior to July 2013, we were known as PRUPIIM (Prudential Property Investment Managers Ltd).

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

United Kingdom

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

OO 02.3 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

208

OO 02.4 Additional information. [Optional]

Approximately 80% of employees are based in our London headquarters.

OO 03 **Mandatory** **Descriptive** **General**

OO 03.1 Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

OO 03.3 Additional information. [Optional]

We have no subsidiaries.

OO 04 **Mandatory** **Gateway/Peering** **General**

OO 04.1 Indicate the year end date for your reporting year.

31/12/2013

OO 04.2 Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM		16	600	000	000
Currency	GBP				
Assets in USD		25	854	469	216

OO 04.3 Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

OO 06 **Mandatory** **Descriptive** **General**

OO 06.1 To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
--	------------------------	------------------------

Listed equity	0	0
Fixed income – corporate	0	0
Fixed income – government	0	0
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	>50%	<10%
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

○ Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

Gateway asset class implementation indicators

OO 11

Mandatory

Gateway

General

OO 11.1

Indicate if in the reporting year you incorporated ESG issues into your investment decisions and/or your active ownership practices in the following internally managed asset classes.

- Property
- None of the above

OO 11.2	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.
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- Property
- None of the above

OO 12	Mandatory	Gateway	General
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OO 12.1	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.
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Core modules

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

RI implementation directly or via service providers

	Direct - Other asset classes with dedicated modules
--	---

- Property

RI implementation via external managers

	Indirect - Selection, Appointment and Monitoring of External Managers
--	---

- Property

Closing module

- Closing module

Note: Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

OO 12.2	Additional information. [Optional]
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We have chosen not to report on the 'Indirect - Selection, Appointment and Monitoring of External Managers' on the basis that it represents a very small minority of our assets under management.

M&G Real Estate

Reported Information

Public version

Overarching Approach

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Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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OA 01.1 Indicate if you have a responsible investment policy.

- Yes
- No

OA 01.2 Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

There are many drivers to integrating responsible property investment (RPI) into real estate fund management. At M&G Real Estate, we believe it can offer significant opportunity, and our sector-leading approach enables us to manage and respond to the growing range of environmental and social issues that can impact property values, helping us to protect and enhance fund and asset performance for our clients. Our RPI strategy focuses on four areas:

- **Ensuring portfolio resilience through stock selection and risk management:** Systematically identifying and managing environmental, social and economic risks in the stock we buy and hold ensures that funds have resilience to growing regulation, as well as physical and societal changes. By integrating these considerations into stock selection and asset management, we can protect long-term returns.
- **Driving improvements in the environmental performance of held assets:** Driving environmental improvements at our assets reduced operating costs, carbon emissions and the use of natural resources. This helps attract and retain tenants and ensure that we appropriately manage environmental risks.
- **Actively developing relationships with occupiers, visitors and communities:** By developing proactive relationships with our occupiers, we can better understand their business needs and property requirements, helping to maximise occupancy rates and enhance returns. Local support is important to the long-term success of buildings and development projects and to ensure this we must develop good relationships with visitors and communities.
- **Being responsible in our own business operations and seeking to influence the practices of our suppliers and partners:** We believe that we should not only implement responsible investment principles in the funds we manage but also in our own operations. By driving environmental improvements in our own offices we can reduce our own impacts and operating costs. Through engagement with our staff we can improve satisfaction, and attract and retain employees. Working in partnership with our suppliers and joint venture partners we can ensure that their operations are in line with our standards and principles.

We apply our strategy to all funds under management - as demonstration of our belief that responsible property investment is not a niche activity, but business as usual.

Implementation of the policy is monitored by M&G Real Estate's Sustainability Operations Committee, which meets three times a year with representatives from across the business and Board-level representation, to provide strategic direction and oversight of our RPI strategy across all business activities. The committee, chaired by the RPI Director, is responsible for ensuring that the strategy effectively delivers our vision of being a leading sustainable real estate fund manager, and that it is consistent with our overall business objectives.

M&G Real Estate is also represented on M&G's Responsible Investment Advisory Committee, which is jointly chaired by our Chief Executive, Alex Jeffrey. Members from all relevant business units meet quarterly to oversee M&G's responsible investment strategy.

M&G Real Estate has been active in the field, with a policy in place for over a decade: the current iteration of our policy was adopted in 2011.

OA 02.1 | Indicate if your responsible investment policy is publicly available.

Yes

OA 02.2 | Provide a URL to your responsible investment policy.

URL

<http://www.mandg.co.uk/institutions/realestate/responsible-investing/>

No

OA 02.3 | Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

OA 02.4 | List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Timber Policy	http://www.mandg.co.uk/institutions/realestate/responsible-investing/
Environmental Policy Statement	http://www.mandg.co.uk/institutions/realestate/responsible-investing/

No

OA 02.5 | Additional information. [Optional]

Link for 02.2: <http://www.mandg.co.uk/-/media/Literature/UK/Real%20estate%20publications/Policies/RPI-Policy.pdf>

For 02.4, please follow the links given above, then click on header 'Publications' to access the relevant documents.

Other internal guidance documents are not made publicly available.

OA 03	Mandatory	Core Assessed	PRI 1,2
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OA 03.1 | Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Engagement/active ownership policy <input type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input checked="" type="checkbox"/> Asset class-specific guidelines <input type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 03.2 | Comment on any variations or exceptions in the coverage of your responsible investment policy. [Optional]

As managers of a single asset class (real estate) all our RI policy and guidance documents are specific to real estate only.

OA 04	Mandatory	Core Assessed	General
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OA 04.1 | Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.

Yes

OA 04.2

Describe your policy on managing potential conflicts of interest in the investment process. [Optional]

As part of the M&G Group of Companies, we have a strong culture of managing conflicts of interests and this is supported by a number of processes and policies. We provide all staff with an awareness and understanding of how conflicts could arise within our business, using periodic face to face training, as well as computer based training, to ensure all staff have a clear understanding of the principles behind conflicts of interest and have the necessary skills and expertise to identify conflicts if and when they arise.

There are a number of group wide policies and procedures designed to ensure that every employee in the business is personally responsible for highlighting and managing conflicts of interest. These policies ensure that once a conflict has been identified, it is managed in a way that gives reasonable assurance that there is no material risk of damage to the interests of clients.

No

Objectives and strategies

OA 05

Mandatory

Gateway/Core Assessed

General

OA 05.1

Indicate if your organisation sets objectives for its responsible investment activities.

Yes

OA 05.2

Indicate how frequently your organisation sets or revises objectives for responsible investment.

- At least once per year
- Less than once per year

OA 05.3

Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.

- Quarterly
- Biannually
- Annually
- Every two years or less
- It is not reviewed

No

We set public targets each year, and report performance against targets publicly each year. Our targets are varied in approach and cover each of the four areas of our Responsible Property Investment strategy.

Governance and human resources

OA 08

Mandatory

Gateway/Core Assessed

General

OA 08.1

Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.

Roles present in your organisation

- Board members or trustees
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify
- Portfolio managers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Investment analysts
- Dedicated responsible investment staff
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
 - Oversight/accountability for responsible investment
 - Implementation of responsible investment
 - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
 Investment & Asset managers

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify

OA 08.2 Indicate the number of dedicated responsible investment staff your organisation has. [Optional]

Number

3

OA 08.3 Additional information. [Optional]

In the context of our organisation we are responding on 'Portfolio Managers' for individuals whose job title at M&G Real Estate is 'Fund Manager'.

Promoting responsible investment

OA 10 Mandatory Core Assessed PRI 4,5

OA 10.1 Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.

Yes

OA 10.2 Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.

Select all that apply

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We provide responses to our ultimate parent company, Prudential plc, for its CDP Climate Change response. The portfolio managed by M&G Real Estate on behalf of its clients represents approximately 80% of Prudential plc's carbon footprint.

- CDP Forests
- CDP Water
- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

In 2013, we submitted six funds - 76% by value of funds under management - to GRESB. We provided feedback to GRESB on developing and improving the survey, both individually and collectively through the Better Buildings Partnership, although we are not members of GRESB.

- Institutional Investors Group on Climate Change (IIGCC)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G Real Estate participates in the IIGCC's Property Working Group, and provides general support for the initiative both publicly and in non-public fora. Through our involvement, we continue to provide input to documents such as the IIGCC PWG's recently-published *Trustee's Guide to Protecting Value in Real Estate Through Better Climate Risk Management*.

- Interfaith Center on Corporate Responsibility (ICCR)
- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

We continue to contribute to the PRI survey - specifically the development of the new real estate section - and attend relevant webinars. M&G Real Estate has sat on the PRI's Property Working Group.

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify
- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

M&G Real Estate has been actively involved as a member of the UNEP FI Property Working Group. Nina Reid, our Director of Responsible Property Investment, authored the second edition of the UNEP FI publication *RPI: What the leaders are doing*, which featured two case studies from our business (under our then company name of PRUPIM). This report on current best practices in the field of Responsible Property Investment showcases what leading organisations across the globe are doing in terms of considering environmental, social and governance issues as part of their investment decision-making methods, and illustrates how the topic of sustainability in the context of commercial real estate investment has evolved, how responses have developed, how attitudes and approaches have matured and how overall progress from the vague to the definite is being made.

- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Better Buildings Partnership

Your organisation's role in the initiative during the reporting year (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

The BBP is a collaboration of the UK's leading commercial property owners who are working together to improve the sustainability of existing commercial building stock. M&G Real Estate has been actively involved including chairing the BBP, chairing the Landlord Energy Rating group, and contributing on other groups including the Benchmarking Working Group.

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No

OA 10.3

Additional information. [Optional]

M&G Real Estate is also involved in a number of groups which are more property-related than Responsible Investment-related. These include:

- British Council of Shopping Centres
- International Council of Shopping Centres
- British Property Federation
- IPF Sustainability Group

We are very actively involved in the sustainability (or similar) committees for these groups.

OA 11

Mandatory

Core Assessed

PRI 4

OA 11.1

Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.

Yes

OA 11.2

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

In 2013/14, M&G Real Estate* spoke at:

The 40% Symposium, addressing the questions: How does M&G Real Estate approach the risks presented by climate change across its global portfolio particularly in terms of asset selection, and what implications do climate change predictions have for investment management more broadly? The 40% Symposium is the leading conference in Europe for those working in the commercial property and investment industry, with a focus on sustainability and the impact this topic has on the value of real estate. The 40% Symposium brings together prominent leading real estate professionals; investors, occupiers, asset managers, developers, consultants and owners all with an active interest on how sustainability can be measured and used to enhance the operation and effective management of their real estate assets, whether directly owned or under management, whilst enhancing value.

EcoBuild 2013, addressing the issue of sustainability ratings systems in real estate, and separately on the topic of Responsible Resource Use and Management: The Developer Perspective. EcoBuild is the world's leading event for sustainable design, construction, energy and the built environment

*in instances preceding July 2013, this would have been under our previous name, PRUPIM.

M&G Real Estate has been actively supporting M&G in its adoption of the UN Principles for Responsible Investment.

We have provided support in kind to a number of academic and other research projects, providing time, data and intellectual support to groups such as S-I-R-E (Sustainable Investment in Real Estate), IPD's EcoPAS, and work with Oxford University.

M&G Real Estate

Reported Information

Public version

Direct - Property

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Overview

PR 05	Mandatory	Core Assessed	PRI 1-6
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PR 05.1 Indicate if your organisation has a Responsible Property Investment (RPI) policy.

Yes

PR 05.2 Provide a URL if your RPI policy is publicly available. [Optional]

<http://www.mandg.co.uk/institutions/realestate/responsible-investing/>

No

PR 05.3 Additional information. [Optional]

From the link in 05.2, please select 'Publications' and then open 'RPI Policy' or follow this link:
<http://www.mandg.co.uk/-/media/Literature/UK/Real%20estate%20publications/Policies/RPI-Policy.pdf>

This policy covers all M&G Real Estate's assets under management, regardless of property type or location.

Fundraising of property funds

PR 06	Mandatory	Core Assessed	PRI 1,4,6
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PR 06.1 Indicate if your fund placement documents (private placement memorandums (PPMs) or similar) refer to responsible investment aspects of your organisation.

Yes

PR 06.2 Indicate how your fund placement documents (PPMs or similar) refer to the following responsible investment aspects of your organisation:

- Policy and commitment to responsible investment
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in pre-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases
- Approach to ESG issues in post-investment processes
 - Always
 - In a majority of cases
 - In a minority of cases

PR 06.3 Describe how your organisation refers to responsible investment for property funds in fund placement documents (PPMs or similar). [Optional]

M&G Real Estate's Fund Prospectuses are always accompanied by fund-specific marketing collateral. These marketing documents (such as factsheets and quarterly reports) include information on our Responsible Property Investment strategy, explaining why we believe Responsible Property Investment helps us to protect and enhance fund and asset performance for our clients, and outlining the four areas of focus of our strategy. As our Fund Prospectuses are purely legal documents they do not contain any information on fund characteristics, investment strategy or approach to responsible investing.

The presentations in our marketing material cover our general approach, and are supplemented by the high-level information contained in our annual Responsible Property Investment Report. Detailed information, such as our approach to pre- and post-investment processes would be provided to potential investors on request. This type of detailed information is however included in the reports we provide to investors; for example in responses to Requests for Proposals, or as part of the Due Diligence process.

No

Pre-investment (selection)

PR 08	Mandatory	Gateway	PRI 1
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PR 08.1 Indicate if your organisation typically incorporates ESG issues when selecting property investments.

Yes

PR 08.2

Provide a description of your organisation's approach to incorporating ESG issues in property investment selection. [Optional]

As a standard part of our pre-acquisition Due Diligence process, we commission building survey reports and environmental risk assessments. Specific issues captured vary from country to country, but typically they would include:

- energy performance ratings (eg EPCs in the UK)
- building sustainability ratings (eg certifications such as BREEAM)
- contamination
- asbestos
- flood risk

This information is fed back to the Investment Managers to inform their decisions. It is also explicitly included in the due diligence checklist which goes to our Investment Committee for approval.

For proposed acquisitions in the UK, a Phase 1 Environmental Risk Assessment is commissioned, addressing land contamination, pollution, construction materials (with reference to asbestos), flood risk. Environmental Risk Assessment details are logged into a database, enabling us to see at a glance the level of an asset's risk, or a portfolio's risk.

Finally, M&G Real Estate has embedded a series of sustainability questions into our bespoke 'Fair Val' worth appraisal system. This information can be considered by our investment professionals when making investment or divestment decisions and helps to ensure that sustainability is integrated into a business-critical process.

No

PR 10	Mandatory	Core Assessed	PRI 1,3
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PR 10.1	Indicate which E, S and/or G issues are typically considered by your organisation in the property investment selection process and list up to three examples per issue.
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ESG issues

Environmental

List up to three typical examples of environmental issues

- Flood Risk
- Ground Contamination
- Energy Performance

Social

List up to three typical examples of social issues

- Health & Safety
- Tenant Type
- Occupier Turnover

Governance

List up to three typical examples of governance issues

Anti-Bribery and -Corruption

PR 10.2 Additional information. [Optional]

Examples of governance issues typically considered when undertaking (for example) a joint venture arrangement with a third party.

Selection, appointment and monitoring third-party property managers

PR 13

Mandatory

Core Assessed

PRI 4

PR 13.1

Indicate if your organisation includes ESG issues in your selection, appointment and/or monitoring of third-party property managers.

Yes

PR 13.2

Indicate how your organisation includes ESG issues in your selection, appointment and/or monitoring of third party property managers.

- Selection process of property managers incorporated ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Contractual requirements when appointing property managers includes ESG issues
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers
- Monitoring of property managers covers ESG responsibilities and implementation
 - For all third party property managers
 - For a majority of property managers
 - For a minority of property managers

PR 13.3

Provide a brief description of your organisation's selection, appointment and monitoring of third party property managers. [Optional]

UK Portfolios (over 80% by value): All property managers have sustainability issues incorporated in their contracts. For example, CBRE, which manages the largest part of the UK portfolios, has a number of Service Level Agreements, Key Performance Indicators and targets relating to sustainability issues. These are monitored closely by M&G Real Estate's Sustainability Team, with quarterly update meetings at which performance is reviewed and assessed. The assessment of their Service Level Agreements feeds into CBRE's financial incentivisation. Key Performance Indicators, Service Level Agreements and targets are revised as necessary and all are reviewed at least annually to ensure they remain fit for purpose

Overseas Portfolios: Although ESG issues were not incorporated into all property managers' contracts when they were originally appointed, M&G Real Estate is adding these issues in when appropriate and as it becomes possible to do so.

All property manager are required to provide us with both qualitative and quantitative data with respect to all aspects of ESG management. With effect from 2014, we will be collecting environmental performance data in respect of all assets worldwide.

PR 13.4

Describe how your third party property managers contribute to the management of ESG issues for your property investments. [Optional]

All third party property managers - and their suppliers - are key to the delivery of our Responsible Property Investment strategy. All are expected to adhere to our RPI policy and requirements, even if not specifically contractually required to do so. All third party property managers are responsible for ensuring that relevant ESG data is gathered, checked and returned to M&G Real Estate for use in various reports and surveys. All are expected to adhere to our Responsible Property Investment policy,

Performance targets for individual properties are set with input from the third party property managers, taking into account their knowledge of the properties and budgets available. These individual property-level targets are then amalgamated into a single figure per property type to make M&G Real Estate's public reporting easier to understand.

Where we have specific performance targets in place (for example targets to reduce the properties' environmental footprints), our third party property managers are responsible for focussing efforts to improve the performance. Following our guidance, they are expected to implement low- and no-cost measures to ensure properties are operated as efficiently as possible. We also expect our property managers to conduct aspects of the tenant engagement programme on our behalf, such as liaising with occupiers and organising 'eco-events' at shopping centres.

No

Post-investment (monitoring and active ownership)**Overview**

PR 14	Mandatory	Gateway	PRI 2
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PR 14.1 Indicate if your organisation, and/or property managers, considers ESG issues in post-investment activities relating to your property assets.

Yes

PR 14.2 Indicate whether your organisation, and/or property managers, considers ESG issues in the following post-investment activities relating to your property assets.

- We consider ESG issues in property monitoring and management
- We consider ESG issues in property developments and refurbishments
- We consider ESG issues in property occupier engagements
- We consider ESG issues in community engagements related to our properties
- We consider ESG issues in other post-investment activities, specify

PR 14.3

Describe how your organisation, and/or property managers, considers ESG issues in post-investment activities related to your property assets. [Optional]

Under supervision from M&G Real Estate's Sustainability Team, our third party property managers have the main responsibility for:

- Setting targets, monitoring and managing ESG issues in property management

We set ESG targets in a number of ways. At our UK portfolio, we have identified the largest properties where we retain management control and are therefore able to influence performance. We focus our efforts here, due to the disproportionate impact: in 2012/13, nearly 60% of our total global energy consumption came from this small group (36 by number) of properties. We work with our third party property managers to develop stretching, property-specific targets which range from carbon and water efficiency, to diversion of waste to landfill, and tenant engagement activities. Where appropriate, targets from individual properties are amalgamated to make a single reduction target figure across similar property types (in this instance, large-multi-let offices or shopping centres); this figure is used in M&G Real Estate's public reporting.

Performance targets and a wide range of ESG key performance indicators are produced on an annual basis in conjunction with our property managers. They are reviewed quarterly - CBRE provides a self-assessment with evidence and M&G Real Estate reviews and re-assesses as appropriate. At quarterly meetings, performance is discussed, areas for concern are flagged for action and good practice is highlighted.

Our property managers provide energy consumption reports on a monthly basis to the team in charge of each building's operations to enable them to identify and address anomalies. We have put in place an ambitious programme to install automated metering on the properties that consume the greatest proportion of energy in our UK portfolio, and will be rolling this installation out over the course of 2014. A trial project commenced in 2013 to install over 100 sub-meters to plan and equipment in our largest-consuming asset. Live data will be continually monitored, analysed and reported, highlighting where unnecessary operation can be halted, and where further investigation should be carried out.

Geographical variations

As 84% of our assets by value are in the UK, this is where the majority of our efforts have been focussed until recently. Outside the UK, different geographical areas have a differing levels of maturity in their approach to Responsible Investment, and we have adapted our approach accordingly.

In the North American portfolio, our third party property managers operate according to their GreenGuide for sustainable property operations - a guidebook of ten areas of sustainable operational best practices. The GreenGuide is applicable across all asset classes and aims to reduce their energy, water, waste and overall carbon footprint. All North American properties submit data to the Greenprint survey, enabling them to benchmark the assets' performance.

We commissioned Bureau Veritas to conduct an environmental and regulatory review of our European portfolio to ensure exposure to current and proposed legal requirements is understood and any risks mitigated. As part of this, environmental assessments are being conducted on six assets to ensure their sustainability credentials add value within the asset management and leasing strategies, and to ensure that our asset management teams in Paris and Frankfurt are able to identify

potential risks and manage them appropriately.

Our Asia Pacific portfolio participated in the Global Real Estate Sustainability Benchmark survey for the first time in 2013, enabling them to compare the fund's performance with peers. M&G Real Estate Singapore has an ambitious programme in place for 2014 to ensure responsible investment is integrated into its business processes.

- ESG issues in refurbishments

Smaller-scale refurbishments are undertaken by our third party property managers. M&G Real Estate imposes minimum ESG requirements for refurbishments, as they represent an important opportunity to improve a building's environmental performance. For example, our recent refurbishment of Sygnus Court in Maidenhead allowed us to introduce new technologies which raised the building's EPC rating from C to B.

- ESG issues in occupier engagements such as tenant meetings and eco-events

Through our third party property managers, we can ensure that regular occupier meetings are held at large multi-tenanted buildings, and we mandate the discussion of the buildings' ESG performance at these meetings. Feedback is gathered quarterly and analysed for patterns, enabling us to respond to emerging trends.

M&G Real Estate has the main responsibility for

- Reporting on ESG issues

With over a decade of involvement in, and reporting on, sustainability and responsible investment, we have a great deal of experience in developing meaningful data to enable consistent year-on-year comparison.

Our reporting complies with Global Reporting Initiative (GRI) G3 Guidelines to Level C, the INREV Sustainability Reporting Recommendations and the EPRA Beset Practice Reporting Guidelines. We also use the GRI Construction and Real Estate Sector Supplement.

Our industry involvement ensures that we are able to stay abreast of developments in this field, and we have been actively participating in discussions with the Global Real Estate Sustainability Benchmark, IPD EcoPAS, UNPRI and GRI's Construction and Real Estate Sector Supplement to support industry and portfolio benchmarking systems that are fit for purpose.

We participate in the Jones Lang LaSalle Real Estate Environmental Benchmark survey, GRESB and Greenprint.

As our business evolves and changes, we are constantly seeking and refining methods to analyse and present our RI performance in transparent and useful ways.

- Appointing third party property managers

Our property management approach is influenced by investment strategies to the extent that specialist property managers are appointed to specialist funds - for example, for our residential property fund.

- Overseeing third party property managers' performance in monitoring and managing ESG in property management

M&G Real Estate's property management is outsourced to a number of third party

suppliers. We seek to ensure that all services delivered on our behalf meet our high standards and we work closely with our third party property managers to ensure that this is the case.

We recognise that driving environmental improvements at our assets reduces operating costs, carbon emissions and the use of natural resources. This helps attract and retain tenants and ensure that we appropriately manage environmental risks. We work closely with our property managers to continually improve the environmental performance of our assets.

- Participating in corporate-level occupier engagements such as tenant surveys

M&G Real Estate actively seeks to identify and understand occupier needs through a number of engagement programmes such as our Key Occupier Relationship Management programme: a structured programme of regular meetings which focuses on promoting and embedding proactive dialogue with retail occupiers. Our Customer Relationship Management team engages with occupiers both face to face, and by means of occupier surveys. Our most recent survey was delivered to all occupiers of UK properties where there is a service charge, and included questions relating to environmental issues.

- Maintaining M&G Real Estate's ISO14001 accreditation

Our Environmental Management System is independently accredited to internationally-recognised standard ISO14001, covering our head office facility, property development and refurbishment activities where actively managed in-house, property acquisition activities and the management of sub-contracted property management activities. At the time of writing, eight of our shopping centres are independently accredited to internationally-recognised standard PAS99, which incorporates ISO14001 accreditation, and 24 of our largest multi-let UK office buildings are independently accredited to ISO14001 - a total of 300,000 square meters. A further six buildings, totalling 74,000 square meters will also be accredited during 2014. Our accreditation programme ensures that those properties with the largest environmental footprint have the most stringent management systems in place.

- Ensuring ESG issues are managed in property developments

M&G Real Estate's ISO14001 accreditation (see below) also encompasses our property development activities. We seek to ensure minimum standards are achieved, depending on the asset class, such as BREEAM Excellent at new developments.

No

Property monitoring and management

PR 15

Mandatory

Core Assessed

PRI 2,3

PR 15.1

Indicate the proportion of property assets for which your organisation, and/or property managers, set and monitored ESG targets (KPIs or similar) during the reporting year.

- >90% of property assets
- 51-90% of property assets
- 10-50% of property assets
- <10% of property assets

(in terms of number of property assets)

PR 15.2

Indicate ESG issues for which your organisation, and/or property managers, typically sets and monitors targets (KPIs or similar) and provide examples per issue.

ESG issues

- Environmental

List up to three example targets per issue

Carbon emissions intensity - reduce by 7% against 2012/13 baseline at landlord-controlled areas of UK shopping centres

Water consumption - reduce by 6% against 2012/13 baseline at UK shopping centres, normalised by footfall

Ensure at least 90% of waste from UK shopping centres is diverted from landfill

- Social

List up to three example targets per issue

We target a nil accident rate across our entire portfolio

Engage with our key occupiers to ensure they are aware of our RPI strategy and approach, and to better understand their priorities

Hold at least one tenant engagement event at a retail asset and one at an office asset

- Governance

List up to three example targets per issue

Engage with our key investors to ensure they are aware of our Responsible Property Investment strategy and approach and to better understand their priorities

We target zero non-conformities at audits of our ISO14001-accredited properties

- We do not set and/or monitor against targets

M&G Real Estate's general approach to property management

M&G Real Estate's property management is outsourced to a number of third party suppliers. We seek to ensure that all services delivered on our behalf meet our high standards and we work closely with our third party property managers to ensure that this is the case.

M&G Real Estate's consideration of ESG issues in property management

We recognise that driving environmental improvements at our assets reduces operating costs, carbon emissions and the use of natural resources. This helps attract and retain tenants and ensure that we appropriately manage environmental risks. We work closely with our property managers to continually improve the environmental performance of our assets.

Our property management approach is influenced by investment strategies to the extent that specialist property managers are appointed to specialist funds - for example, for our residential property fund.

Our Environmental Management System is independently accredited to internationally-recognised standard ISO14001, covering our head office facility, property development and refurbishment activities where actively managed in-house, property acquisition activities and the management of sub-contracted property management activities. At the time of writing, eight of our shopping centres are independently accredited to internationally-recognised standard PAS99, which incorporates ISO14001 accreditation, and 24 of our largest multi-let UK office buildings are independently accredited to ISO14001 - a total of 300,000 square meters. A further six buildings, totalling 74,000 square meters will also be accredited during 2014. Our accreditation programme ensures that those properties with the largest environmental footprint have the most stringent management systems in place.

Targets and monitoring performance at individual property assets

We set ESG targets in a number of ways. At our UK portfolio, we have identified the largest properties where we retain management control and are therefore able to influence performance. We focus our efforts here, due to the disproportionate impact: in 2012/13, nearly 60% of our total global energy consumption came from this small group (36 by number) of properties. We work with our third party property managers to develop stretching, property-specific targets which range from carbon and water efficiency, to diversion of waste to landfill, and tenant engagement activities. Where appropriate, targets from individual properties are amalgamated to make a single reduction target figure across similar property types (in this instance, large-multi-let offices or shopping centres); this figure is used in M&G Real Estate's public reporting.

Performance targets and a wide range of ESG key performance indicators are produced on an annual basis in conjunction with our property managers. They are reviewed quarterly - CBRE provides a self-assessment with evidence and M&G Real Estate reviews and re-assesses as appropriate. At quarterly meetings, performance is discussed, areas for concern are flagged for action and good practice is highlighted.

Our property managers provide energy consumption reports on a monthly basis to the team in charge of each building's operations to enable them to identify and address anomalies. We have put in place an ambitious programme to install automated metering on the properties that consume the greatest proportion of energy in our UK portfolio, and will be rolling this installation out over the course of 2014. A trial project commenced in 2013 to install over 100 sub-meters to plan and equipment in our largest-consuming asset. Live data will be continually monitored, analysed and reported, highlighting where unnecessary operation can be halted, and where

further investigation should be carried out.

Tracking and benchmarking

With over a decade of involvement in, and reporting on, sustainability and responsible investment, we have a great deal of experience in developing meaningful data to enable consistent year-on-year comparison.

Our reporting complies with Global Reporting Initiative (GRI) G3 Guidelines to Level C, the INREV Sustainability Reporting Recommendations and the EPRA Beset Practice Reporting Guidelines. We also use the GRI Construction and Real Estate Sector Supplement.

Our industry involvement ensures that we are able to stay abreast of developments in this field, and we have been actively participating in discussions with the Global Real Estate Sustainability Benchmark, IPD EcoPAS, UNPRI and GRI's Construction and Real Estate Sector Supplement to support industry and portfolio benchmarking systems that are fit for purpose.

We participate in the Jones Lang LaSalle Real Estate Environmental Benchmark survey, GRESB and Greenprint.

As our business evolves and changes, we are constantly seeking and refining methods to analyse and present our RI performance in transparent and useful ways.

Geographical variations

As 84% of our assets by value are in the UK, this is where the majority of our efforts have been focussed until recently. Outside the UK, different geographical areas have a differing levels of maturity in their approach to Responsible Investment, and we have adopted our approach accordingly.

In the North American portfolio, our third party property managers operate according to their GreenGuide for sustainable property operations - a guidebook of ten areas of sustainable operational best practices. The GreenGuide is applicable across all asset classes and aims to reduce their energy, water, waste and overall carbon footprint. All North American properties submit data to the Greenprint survey, enabling them to benchmark the assets' performance.

We commissioned Bureau Veritas to conduct an environmental and regulatory review of our European portfolio to ensure exposure to current and proposed legal requirements is understood and any risks mitigated. As part of this, environmental assessments are being conducted on six assets to ensure their sustainability credentials add value within the asset management and leasing strategies, and to ensure that our asset management teams in Paris and Frankfurt are able to identify potential risks and manage them appropriately.

Our Asia Pacific portfolio participated in the Global Real Estate Sustainability Benchmark survey for the first time in 2013, enabling them to compare the fund's performance with peers. M&G Real Estate Singapore has an ambitious programme in place for 2014 to ensure responsible investment is integrated into its business processes.

Property developments and refurbishments

PR 17

Mandatory

Core Assessed

PRI 2

PR 17.1 Indicate the proportion of active property developments and refurbishments where ESG issues have been considered.

- >90% of active developments and refurbishments
- 51-90% of active developments and refurbishments
- 10-50% of active developments and refurbishments
- <10% of active developments and refurbishments
- N/A, no developments and refurbishments of property assets are active

(by number of active property developments and refurbishments)

PR 17.2 Indicate if the following ESG considerations are typically implemented and monitored in your property developments and refurbishments.

- Minimum environmental site selection requirements
- Minimum environmental site development requirements
- Sustainable construction materials
- Minimum water efficiency requirements
- Minimum energy efficiency requirements
- Energy generation from on-site renewable sources
- Waste management plans at sites
- Health and safety management systems at sites
- Construction contractors comply with sustainability guidelines
- Other, specify

PR 17.3 Additional information. [Optional]

When undertaking significant refurbishment of our assets, we seek to improve their energy and environmental performance in line with our Sustainable Refurbishment Framework. We also seek to implement high environmental standards on new development projects. At UK developments and refurbishments, we specify a minimum BREEAM standard of either Very Good or Excellent, depending on a number of factors.

Our approach is driven by occupier demand, and by ensuring that assets are resilient to increasingly stringent legislative requirements.

Occupier engagement

PR 18	Mandatory	Core Assessed	PRI 2
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PR 18.1

Indicate the proportion of property occupiers your organisation, and/or your property managers, engaged with on ESG issues during the reporting year.

- >90% of occupiers
- 51-90% of occupiers
- 10-50% of occupiers
- <10% of occupiers

(in terms of number of occupiers)

PR 18.2

Indicate if the following practises and areas are typically part of your, and/or your property managers', occupier engagements.

- Distribute a sustainability guide to occupiers
- Organise occupier events focused on increasing sustainability awareness
- Deliver training on energy and water efficiency
- Deliver training on waste minimisation
- Provide feedback on energy and water consumption and/or waste generation
- Provide feedback on waste generation
- Carry out occupier satisfaction surveys
- Other, specify

We actively seek to identify and understand occupier needs through a number of engagement programmes such as our Key Occupier Relationship Management programme. This structured programme of regular meetings focuses on promoting and embedding proactive and positive dialogue with retail occupiers. It has developed over a number of years following feedback from retail occupiers that they value having a direct relationship with us. Furthermore, retailers also have disproportionately large energy consumption. We also actively engage with various occupier and industry groups, including the Property Managers Association, the RealService Best Practice Group and the British Property Federation to keep up to date with best practice. Through the RealService Best Practice Group we participate in a number of annual service performance benchmarking programmes which allows us confidentially to compare our customer service performance with best practice.

We believe that directly engaging with our occupiers is key to understanding and responding to their needs. Building on an independent survey of 20 key retail occupiers, our customer relationship management team visited all our UK shopping centres to conduct a customer survey focusing on our property management across our retail portfolio. A similar exercise was carried out by e-survey for the office portfolio and during 2013 the survey was delivered to all occupiers of all properties where there is a service charge. The survey included questions relating to environmental issues, and the results are in the process of being analysed. Initial feedback indicates that 71% of respondents from the office portfolio rate their overall satisfaction as an occupier as 'Good' or 'Excellent', and 76% feel that they have sufficient engagement with the Facilities Manager regarding environmental initiatives. Our property managers will use this information to develop action plans for addressing the issues raised.

Examples of specific engagement measures in place include:

- Our annual Responsible Property Investment report is emailed to over 150 contacts at our key occupiers.
- At all UK multi-let offices which are accredited to ISO14001, sustainability issues are included on the regular tenant meeting agenda for discussion at least every six months. Issues discussed vary from building to building, but have included: energy conservation measures, water conservation measures, waste minimisation and recycling, green cleaning supplies, sharing environmental data and green travel. Occupiers were encouraged to participate in Earth Hour 2013 and across a total of 440,000 square meters of floor space non-essential lights were switched off for an hour. At two of these offices, Green Building Management groups have been set up, following the guidelines in the Better Building Partnership's Green Building Management Toolkit, which we were involved in creating.
- At UK shopping centres, there has been a sharp focus on educating occupiers on reducing waste generation and improving the separation of recycling streams, leading to an increase from 81% to 87% in diversion from landfill.
- We hold occasional Energy and Environment workshops for occupiers of specific property types, such as our 2012 workshop for retailers. The workshop focussed on initiatives across our shopping centres highlighting achievements in reducing energy consumption, water consumption, increasing recycling and promoting green transport. Representatives from one occupier, Lush, shared their experiences of achieving Ska Retail Gold on their fit-out of a unit in one of our centres. The workshop generated positive feedback and further action points to enable improved communication with occupiers. Building on the success of this event, in March 2014, we will deliver a similar workshop for occupiers of our retail warehouses to find out more about the sustainability measures they can implement at retail parks and other retail properties to save energy and reduce costs, and to demonstrate the environmental improvements installed at one such property in our portfolio.
- We have developed a sustainability guide for occupiers, which will provide advice for our retail tenants on how energy use and other environmental issues can be managed and their impact reduced through good design and specification during fit-out and refurbishment, and

through good management once in operation. A separate guide addresses these issues from the perspective of office occupiers. Both documents provide examples of current good practice within the industry, examples of measures that will assist in reducing carbon emissions and regulatory compliance, as well as signposting to more detailed guidance and support.

- Across our US and Canadian portfolio, our asset managers have rolled out a GreenGuide for sustainable property operations - a guidebook of ten areas of sustainable operational best practices for asset managers to share with third party property managers. The GreenGuide is applicable across all asset classes and aims to reduce their energy water, waste and overall carbon footprint.
- Under French Grenelle 2 legislation, introduced in 2013, closer liaison with occupiers will become a legal requirement, with all commercial property leases on premises larger than 2,000 square meters being required to have an environmental addendum that includes terms on sharing data, regular monitoring of environmental performance and a programme to improve environmental performance.

Across all our methods of engagement, we calculate that we have engaged with occupiers of more than 60% of our UK floor space, and over 71% of our rent roll.

Communication

PR 23

Mandatory

Core Assessed

PRI 6

PR 23.1

Indicate if your organisation proactively discloses ESG information on your property investments.

- Disclose publicly

provide URL

<http://www.mandg.co.uk/institutions/realestate/responsible-investing/>

PR 23.2

Indicate if your organisation uses property specific reporting standards to disclose information related to your property investments' ESG performance.

- Global Reporting Initiative (GRI) Construction & Real Estate Sector Supplement (CRESS)
- Other property reporting standards, specify
EPRA, INREV
- No property specific reporting standards are used

PR 23.3

Indicate if the level of ESG information you provide to the public is the same as the level you provide to your clients/beneficiaries.

- Yes

PR 23.4 Indicate the type of ESG information that your organisation proactively discloses to the public and/or your clients/beneficiaries.

- ESG information on how you select property investments
- ESG information on how you monitor and manage property investments
- Information on your property investments' ESG performance
- Other, specify

Fund specific reporting is also published including performance data at fund level, and case studies of ESG activities (at property, fund and portfolio level)

PR 23.5 Indicate your organisation's typical frequency of disclosing ESG information to the public and/or your clients/beneficiaries.

- Quarterly or more frequently
- Semi annually
- Annually
- Every two years or less frequently
- Ad-hoc, specify

PR 23.6 Describe the ESG information and how your organisation proactively discloses it to the public and/or clients/beneficiaries. [Optional]

Our main Responsible Property Investment Report and associated annual Supplementary Performance Report are published annually, covering our entire global portfolio. Both documents are posted to our website, and a mass email informs our key occupiers, business contacts and staff of the publications' availability and some of the key messages.

On the majority of our individual Funds, we report quarterly on performance to the clients. The report includes details of environmental performance and other key sustainability issues, such as the Fund's GRESB score or EPC ratings, as appropriate. Similarly, Annual Business Plans are published for clients and contain information on planned Responsible Investment activities for the coming 12 months.

- No
- Disclose to clients/beneficiaries only
- No proactive disclosure to the public or to clients/beneficiaries